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CONDITIONS IN THE WOMEN'S GARMENT INDUSTRY

December 4, 1985

ECONOMIC BACKGROUND

Although economic growth improved in the late summer months, the three-year-old expansion remains unsteady. The nation's real output of goods and services -- Gross National Product adjusted for price changes -- gained 1.1 percent in the July-September quarter, following increases of 0.1 percent in the first quarter and 0.5 percent in the second quarter of 1985.

Over the last four quarters, the expansion's pace slowed to 2.7 percent, compared to 4.9 percent and 6.1 percent respectively, in the first two years of the rebound from the 1981-82 recession.

The limited data available for October, the first month of the fourth quarter, indicate some weakening from the third quarter. October consumer spending was off sharply, industrial production was flat and capacity utilization lower at factories, mines and utilities. A jump in October housing starts did little more than compensate for the previous month's drop. Permits for future housing construction sank to the lowest level in over a year.

Manufacturing employment grew by 60,000 in October, but, coming in the wake of a 330,000 decline between January and September, the number of factory jobs is still well below year-earlier levels. A large fraction of the 415,000 gain in total nonagricultural wage and salary jobs in October was in part-time service and retail trade employment.

The civilian unemployment rate remains at 7.1 percent, an unprecedented high level in the third year of an expansion. In addition to the 8.3 million persons officially counted as unemployed, there are a reported 1.2 million jobless who are not counted as unemployed because they have given up their search for work. One in six workers has only a part-time job, with 5.4 million working part-time because they cannot find full-time jobs.

Low interest financing incentives offered by the automobile companies in late August and September stimulated record domestic car sales, boosting consumer spending for durables to its fastest pace since early in the 1983 recovery. Reports of far lower car sales since cut-rate auto loans were ended raise some

doubts as to whether the current production plans of domestic car makers will be fulfilled. Consumer purchases of nondurables and services both gained at slower rates in the third quarter than earlier in the year.

Federal spending on goods and services moved sharply higher in the third quarter, with both military and nonmilitary purchases rising. Pentagon buying grew at its fastest clip since the start of the military buildup and accounted for 70 percent of total federal purchases.

Business investment spending on both plant and equipment declined by one percent in real terms in the third quarter. With 20 percent idle industrial capacity and imports continuing to displace domestic production, businesses project even lower capital spending in 1986.

Rising office vacancy rates in many major cities will dampen building activity in coming months. Although residential construction activity rose 3.0 percent in the third quarter, the increase was largely in additions and alterations, mobile homes and sales commissions, rather than in new housing construction. Inventory accumulation by businesses, which usually picks up in a mature expansion, has been exceptionally weak in 1985.

Imports of goods and services climbed higher in the third quarter, continuing to retard domestic economic growth. Exports were relatively unchanged. The merchandise trade deficit is expected to exceed $140 billion this year, up from last year's $123 billion deficit. Data through October, with two months to go, show a deficit of $118 billion so far this year.

Consumer prices increased 2.9 percent in the 12 months ending October. Average weekly earnings for production and nonsupervisory workers, adjusted for the increase in the CPI, fell 1.5 percent over the same 12 months.

Personal income growth has slowed to anemic levels, forcing households to rely increasingly on borrowing and lower savings to finance consumption. Shrinking wage and salary increases and the shift from higher-paying industrial employment to lower-wage service sector jobs has slowed the growth in household income. Interest income, a source of pe sonal income, has fallen off slightly and can be expected to decline further.

Continued growth in the economy as a whole may soon be checked by the huge debt buildup that has taken place in the last four years. In addition to the much-discussed mushrooming Federal debt, there has also been a substantial run-up in household and corporate debt. The farm debt problem has reached crisis proportions.

The economy has obviously borrowed its way through the current expansion and sits precariously perched on a mountain of debt. Highly leveraged borrowers are vulnerable to an interest rate rise and/or to reduced income flows in a downturn. Either could trigger serious repayment problems.

In current dollars, total domestic nonfinancial debt -- which encompasses government, households, farms and other nonfinancial businesses -- grew over 50 percent faster than GNP from 1981 to mid-1985. In contrast, in the 1960s and from 1970 to 1981, nonfinancial debt and GNP grew at about the same pace. Because of insufficient income flows, a greater proportion of debt has been required to fuel the current expansion.

Particularly troublesome for continued growth is the dramatic rise in consumer installment debt, which has grown at a 20 percent annual rate since late 1983. Boosted by the extraordinary September jump in auto loans, the ratio of consumer debt to after-tax income rose to an all-time high of 19.2 percent, up from 14.5 percent in 1982. Such high debt levels will almost certainly dampen consumer spending for durable goods in the months ahead.

Households have also increased mortgage debt faster since 1981 than the growth in GNP. The large number of floating rate mortgages and a flurry of second mortgage borrowing, often at high or floating rates and/or with very high service charges, will constrain future consumer spending.

Low crop prices, depressed grain exports and steadily falling farm land values have forced many farmers into default and led to the failure of over 50 agricultural banks in the first 11 months of 1985. Rising loan losses on the over $200 billion farm debt have prompted the Farm Credit System to seek massive Federal assistance to avert a large-scale financial crisis.

Aggressive loan marketing, involving highly speculative loans for oil and gas exploration, real estate development and to Third World countries, has resulted in more than 100 bank failures in 1985, the highest annual total since 1933. A recent Business Week cover story characterized the eclipse of credit-worthy investment lending by high stakes loan speculation as the advent of the "casino society". Extensive corporate borrowing to finance mergers and buyouts has also left many firms with dramatically weaker balance sheets.

The Reagan policy of large budget deficits will plague the economy for years to come. The federal debt doubled from 1980 to 1985 and at $2 trillion will now result in much higher interest rates than might otherwise have been the case. The large flow of interest payments will further the redistribution of income to the wealthy, undermining broad-based consumer spending power. Annual debt interest, $130 billion in Fiscal Year 1985, will rise to $210 billion in 1990.

RETAIL SALES

Retail sales are frequently cited as a major force sustaining the economy. This is often the case because consumer spending outstrips other sectors of the economy. At other times, it is true chiefly because consumer spending accounts for such a large fraction of the national economy.

Over a period of several years, however, growth in retailing has been more sluggish than might have been expected. Comparing total real sales in the first 10 months of 1985 with the same period in 1978, a relatively good year prior to the last two recessions, it appears that over this seven year period sales have grown at an average annual rate of only 1.6 percent. This growth rate is on a par with the growth in the labor force in this period and only slightly better than the population advance.

The consumer mood and economic status has made 1985 a difficult year for retailing. Slowing economic expansion has led to smaller income gains for American workers and their families. Consumer spending has increasingly been financed by reducing savings and increasing personal debt. Lower interest rates have been a two-edged sword -- helping stimulate sales of automobiles by making monthly repayments less costly, but at the same time reducing interest income that many rely upon to enhance discretionary spending.

RETAIL SALES OF WOMEN'S AND CHILDREN'S WEAR* BY TYPE OF OUTLET
(in millions of dollars)

Period	Total Sales	Department Stores	Women's Specialty Stores	Family Clothing Stores	Other Retail Outlets
1973	$27,972	$12,308	$9,336	$2,502	$3,826
1980	48,674	20,409	17,060	5,060	6,145
1981	54,635	23,188	18,992	5,805	6,650
1982	57,564	24,477	19,668	6,404	7,015
1983	63,258	26,460	22,893	7,349	6,556
1984	70,879	29,347	26,086	8,364	7,082
Jan-Oct'84	53,330	21,724	20,028	6,250	5,329
Jan-Oct'85	56,745	22,820	21,548	6,972	5,406

* Data include traditional products of the women's garment industry as well as millinery, furs, hosiery, gloves and other accessories.
SOURCE: ILGWU Research Department (benchmarked to 1967, 1972, 1977 and 1982 Census of Business).

Sales have also been stimulated by rebates, below-market financing or other promotional devices. The use of these devices as an alternative to price cuts tends to distort the nation's retail sales statistics. Rebates or low-interest loans are treated as expenses and the sales figures are shown inclusive of these amounts and are, to some extent, overstated.

With the aid of the late-summer push in automobile sales, durable goods store sales gained 11.1 percent in the first 10 months of 1985 in comparison with the same 1984 period. Retail durable goods prices slowed as 1985 progressed and remained virtually unchanged in August, September and October compared to last year. Real durable goods store sales were ahead 9.3 percent.

Sales by nondurable goods dealers did not fare as well. They were ahead only 4.0 percent through October. After allowance for the price rise of 2.2 percent, real sales were only ahead of 1984 by 1.7 percent. Among the outlets that lagged were liquor stores and bars, gasoline stations and fuel suppliers and mail-order houses. Concentration on purchase of durable goods items also helped hold back sales volume on nondurables.

Sales of women's and children's wear at retail did slightly better than other nondurables, but were still generally lackluster. In the first 10 months of 1985, sales of feminine apparel were ahead of 1984 by 6.4 percent. Prices at retail were up 3.8 percent, the largest rate of price increase in 10 years, despite the ever increasing share of imports.

Some of the increase reflects the fact that retailers, with more rational inventory levels than earlier in the year, did not cut prices as much as they had when stocks were overloaded. Real retail volume in women's and children's wear was ahead only 2.5 percent this year. This is the smallest real gain of the decade, even smaller than that during the last recession.

The sharp drop-off in buying intensity, as against 1984, when sales of feminine apparel chalked up double digit gains, was due to a number of factors. As previously noted, consumer discretionary income has been limited this year and apparel purchases can be readily postponed. The post-recession buying spree also filled gaps in wardrobes and made replenishment or updating less urgent.

Following a relatively cool summer that held back sales of hot weather items, the fall season began with a number of hopeful signs. Back-to-school sales showed moderate strength and fall ready-to-wear appeared to be off to a good start. This led to a sizable boost in August sales of women's and children's wear. September brought Hurricane Gloria to the East with its disruptive effect on store traffic. Unseasonably warm weather followed, discouraging purchases of heavy outerwear.

Although many retailers are hoping for a healthy Christmas season, it does not appear likely. Judging from preliminary reports, November sales have been sluggish. Retailers decorated their stores earlier than ever for the holiday and have begun longer store opening hours even before Thanksgiving. Unless there is a rapid change, stepped-up discounts and promotions can be anticipated in an effort to pull up sales. While apparel sales may not suffer as much as other areas, the economic crunch on the consumer should have an impact.

The strongest showing in 1985 was made by the family clothing stores, followed by women's specialty stores. Department stores were third, with a below average gain, while "other outlets", which include variety stores and mail-order houses, were only slightly ahead of last year.

PRODUCTION OF WOMEN'S AND CHILDREN'S WEAR

Production of women's and children's apparel will clearly show a decline once complete 1985 data are available. This will be the fifth year in a row that our industry will suffer a setback. Among the factors that account for the negative performance are a lack of buoyancy in retail sales and concern among retailers over becoming overinventoried. The latter has led some stores to moderate their orders to manufacturers. And, despite occasional comments about the return of apparel manufacturing to the United States, imports continue to supplant domestic production.

The physical volume of output of women's and children's apparel fell 7 percent between the first nine months of 1984 and the same period this year. If this pace continues for the balance of the year, 1985 will wind up 19 percent below the peak year of 1979.

Even this sharp decline is probably understated. The official definition of domestic production includes garments cut here but sewn abroad. The number of such garments has grown rapidly over the years. In addition, the production data quite probably include a growing amount of garments imported by domestic

UNIT PRODUCTION OF SELECTED WOMEN'S AND MISSES' GARMENTS AND TOTAL OUTPUT, WOMEN'S AND CHILDREN'S APPPAREL INDUSTRY
(in millions)

Period	UNIT PRODUCTION									Total Output#
	Coats	Suits @	Tailored Jackets	Dresses	Blouses	Knit Sport Shirts	Skirts	Slacks & Jeans	Sweaters *	
1966	27.7	11.6	N.A.	321.3	223.2	49.2	131.1	110.9	147.0	$9,065
1976	21.9	37.9	19.0	227.5	288.0	119.6	58.1	288.5	139.3	$8,821
1979	20.8	29.7	21.1	252.5	406.8	162.5	75.3	303.3	119.6	$9,410
1980	19.7	22.2	25.6	250.3	402.3	161.2	86.1	319.4	119.2	$9,284
1981	16.4	16.2	37.0	209.6	390.5	138.6	114.3	328.3	137.9	$8,862
1982	13.5	14.5	41.5	189.0	396.2	161.6	118.8	315.5	132.5	$8,603
1983	13.1	14.2	38.8	179.9	407.7	133.9	114.8	329.7	131.2	$8,424
1984	13.0	11.9	34.5	178.6	370.9	131.7	111.5	309.1	141.7	$8,145
Jan-Sep'84	10.8	9.0	27.3	140.0	297.0	102.3	88.8	238.4	107.8	$6,189
Jan-Sep'85	6.9	11.1	22.8	124.7	267.5	86.9	73.0	233.3	94.2	$5,815

N.A. -- Not available
@ Suits including pant-suits
* Sweaters for women and men
# Physical volume of output of women's and children's apparel industry expressed in 1967 value.
SOURCE: U.S. Bureau of the Census and ILGWU Research Department (benchmarked to 1963, 1967, 1972, 1977 and 1982 Census of Manufactures).

manufacturers. While the production data are not supposed to include fully imported garments, inclusion by error is not unlikely.

The Bureau of the Census has recently released detailed production data for the year 1984 as well as the 1982 Census of Manufactures. The production data in this report reflect this new information. Historical data on production and dollar volume of shipments is shown in an appendix attached to this report.

Although the Census Bureau has been planning to initiate quarterly collection of production data for a broader range of items, this has not yet taken place. For current developments, therefore, it is necessary to rely on the monthly data now collected for a number of key women's wear items. These data show a rather dismal pattern in the first nine months of the year.

The steepest decline in the first nine months of 1985 compared to last year -- 36 percent -- occurred in the production of women's coats. Output of skirts

fell 18 percent, while that of tailored jackets was off 17 percent. Production of women's knit outerwear sport shirts was down 15 percent.

Output of men's and women's sweaters declined 13 percent through September of 1985, with women's sweaters down 8 percent and those for men 15 percent. Dress production fell 11 percent and blouse cuttings 10 percent. The smallest decline -- 2 percent -- was in the output of women's slacks and dungarees.

The only product for which monthly data are available to show an increase this year was women's suits. Although output was up 23 percent in the first nine months, much of this gain was illusory. Suit production had taken a sharp 15 percent drop in the comparable 1984 period and much of this year's improvement was simply regaining lost ground. By historic standards, suit output is still severely depressed.

Judging production changes for items not covered by the monthly survey is difficult. Press and market reports on retail developments include the growing number of imported garments as do reports of sales by manufacturers. The indication is, however, that domestic output was down for a wide range of items. Legislation to provide more timely and more detailed production data is now before the Congress. It is anticipated that action will be completed in the near future and that this important information will become available.

IMPORTS

Apparel imports moved erratically during 1985, although the end result was another year of increased inroads into our domestic market. The heavy retailer inventory position at the start of 1985, U.S. government quota actions in fits and starts and concern about future restrictive action led to alternating gains and losses as the year progressed.

In the first nine months of 1985, imports of women's and children's apparel of all fibers (measured in terms of square yards equivalent -- SYE) rose to 2.612 billion SYE from 2.372 billion SYE a year ago, an increase of 10.1 percent. Women's and children's wear imports made of only the three fibers covered by the Multifiber Arrangement -- cotton, wool and man-made fiber -- rose 3.5 percent, from 2.238 billion SYE to 2.318 SYE.

In sharp contrast, imports of products made of the non-controlled fibers -- silk, linen, ramie -- rose 120 percent from 134 million SYE to 295 million SYE. Garments made of these three fibers are popular, but soaring shipments are aimed at circumventing existing quotas and building a base for the future in the event controls are extended to these presently not covered fibers.

The full accounting of apparel imports for 1985 will not be available until about March 1986. Preliminary data show that total apparel imports of the three MFA fibers this October were 21 percent higher than in October 1984. It is obvious that imports of apparel will reach new highs in 1985.

The nine-month 1985 import growth, however, may well be even larger than the official statistics suggest. The Customs Service recently admitted that there are serious delays in their processing of import documents. As a result,

IMPORTS OF SELECTED WOMEN'S AND CHILDREN'S GARMENTS
(in thousands of units)

Product	Year 1980	Year 1981	Year 1982	Year 1983	Year 1984	Jan-Sep 1984	Jan-Sep 1985
Coats & jackets, cotton	14,584	19,774	18,935	18,528	23,085	18,844	14,757
" " " wool	2,259	2,300	2,229	3,276	4,343	3,138	4,007
" " " synthetic	26,035	31,744	39,915	42,645	43,578	34,643	30,632
TOTAL	42,879	53,818	61,079	64,448	71,007	56,625	53,395
Suits, wool	344	654	1,018	1,390	1,413	1,179	983
" synthetic	1,370	2,112	2,955	4,963	5,503	4,420	3,411
TOTAL	1,715	2,766	3,973	6,353	6,916	5,599	4,394
Dresses, cotton	8,413	9,396	9,397	12,280	16,063	13,600	14,564
" wool	1,013	1,109	415	1,022	2,109	1,685	1,246
" synthetic	13,884	15,839	13,798	21,599	25,626	19,539	22,338
" silk (non-ornamented)	1,143	1,697	1,563	2,385	3,304	2,612	2,294
TOTAL	24,453	28,041	25,172	37,286	47,101	37,436	41,353
Blouses, cotton	107,475	118,007	125,985	140,055	164,373	141,871	155,724
" wool	6,603	7,968	5,186	7,166	10,060	7,625	6,197
" synthetic	93,214	96,686	107,699	123,598	128,085	103,346	130,649
" silk (non-ornamented)	3,668	5,402	4,272	6,094	10,684	7,202	7,090
TOTAL (c)	210,960	228,064	243,142	276,913	313,203	260,448	300,232
Knit shirts (a), cotton	51,421	47,488	54,144	57,799	71,303	58,993	49,961
" " synthetic	116,788	126,803	137,109	170,522	158,221	132,207	110,804
TOTAL	168,209	174,290	191,253	228,321	229,523	191,200	160,765
Sweaters (b), cotton	6,115	5,651	8,900	10,000	15,189	10,630	13,649
" wool	30,659	27,519	31,055	34,392	42,063	32,107	32,808
" synthetic	112,460	112,608	115,244	128,981	136,211	116,012	124,133
TOTAL (c)	149,955	149,035	161,556	187,622	242,638	187,052	238,200
Skirts, cotton	9,955	14,327	14,740	19,530	25,501	22,358	21,368
" wool	1,298	1,287	1,556	2,933	4,206	3,361	4,136
" synthetic	3,522	5,944	7,038	13,980	15,685	12,917	12,734
TOTAL	14,774	21,559	23,334	36,443	45,392	38,636	38,237
Slacks & shorts, cotton	97,843	106,626	99,845	140,596	149,269	123,116	122,512
" " " wool	959	1,348	1,552	2,200	3,131	2,228	3,890
" " " synthetic	68,585	75,482	107,224	97,166	112,308	89,660	96,011
TOTAL (c)	168,036	184,537	209,390	240,748	265,970	215,874	223,420
Playsuits, cotton	18,114	21,230	23,157	24,100	34,631	27,825	31,724
" synthetic	8,382	7,911	7,126	9,493	14,144	10,433	9,707
TOTAL	26,496	29,141	30,283	33,593	48,776	38,258	41,431
Raincoats (b), cotton	2,331	1,995	2,044	2,332	3,927	3,136	1,890
" synthetics	4,365	4,764	4,578	4,445	7,534	5,749	6,927
TOTAL	6,696	6,759	6,623	6,777	11,460	8,886	8,817
Dressing gowns & robes, cotton	1,814	2,487	3,349	4,196	4,528	3,481	4,273
" " " " wool	82	7	8	10	20	12	32
" " " " synthetic	1,555	2,046	2,015	2,418	3,625	2,865	1,934
TOTAL (c)	3,469	4,572	5,406	6,689	8,270	6,426	6,327
Nightwear & pajamas, cotton	6,652	10,678	11,803	13,130	14,730	10,821	14,126
" " " synthetic	1,873	2,735	4,755	6,570	10,314	7,416	10,665
TOTAL (c)	8,534	13,423	16,585	19,742	25,111	18,265	24,850
Underwear, cotton	19,177	28,368	45,980	70,313	65,846	51,182	65,680
" wool	266	227	263	259	294	174	209
" synthetic	33,960	40,693	38,109	50,978	87,929	63,551	63,794
TOTAL (c)	53,466	69,502	84,654	121,857	154,855	115,493	130,429
Brassieres, cotton	1,619	1,178	1,640	3,244	2,800	1,827	7,303
" synthetic	142,529	150,922	136,239	144,733	149,281	113,350	120,443
TOTAL	144,148	152,100	137,879	147,976	152,080	115,176	127,746
Girdles & corsets, cotton	5	54	23	38	68	62	66
" " " synthetic	6,830	7,752	7,445	9,546	13,036	8,754	11,631
TOTAL	6,835	7,806	7,468	9,584	13,104	8,816	11,688
Infants' sets (d), cotton & synthetic	35,947	36,634	35,999	43,964	61,054	45,831	53,376
Swimwear, synthetic	11,379	8,059	9,247	9,949	12,090	9,766	11,291
Tops & vests, cotton & synthetic	17,399	13,160	9,453	8,393	12,358	10,223	9,524
Body suits & shirts, synthetic	730	1,564	2,684	5,289	5,728	4,687	3,802
Coveralls (e), synthetic	737	812	908	1,165	1,514	1,150	2,100
Judo/karate suits, cotton & synthetic	184	190	273	293	476	327	462

(a) Excludes knit tops
(b) Men's, women's and children's
(c) Includes garments of silk and other fibers not shown separately
(d) Up to and including 2 years of age
(e) Includes overalls and jumpsuits

SOURCE: U.S. Bureau of the Census (imports for consumption)

shipments in a given month are often not included on a current basis, but rather in some later months' data.

Because of the way the U.S. government issues its statistics, public attention is drawn to data for the three MFA fibers alone. Even though the non-MFA fibers account for over 11 percent of this year's women's and children's wear imports and more than two-thirds of this year's increase, the government does not publish a combined total for MFA and non-MFA shipments.

Inclusion of non-MFA fiber shipments sharply alters the trading patterns for the major apparel shippers. Total apparel imports from the Big Three -- Taiwan, Hong Kong and Korea -- made of the three MFA fibers declined three to four percent this year. Inclusion of the uncontrolled fibers, however, brings Hong Kong to a 10 percent gain over last year, Korea to a 2 percent gain and Taiwan to a loss of less than one half of one percent. China's 17 percent drop in shipments of all apparel made of cotton, wool and man-made fibers is cut by more than half once the non-MFA garments are added in.

If imports of MFA-fiber apparel from the very large exporting nations moved moderately, those from a number of smaller areas have soared. In the first nine months of 1985, total apparel imports from Greece, Israel, Mauritius, Jamaica, Portugal and Yugoslavia were more than twice corresponding 1984 data; those from Turkey and South Africa more than triple; imports from Bangladesh quadruple and those from Nepal more than ten times their 1984 level.

While most of these newer suppliers still represent a relatively small portion of the total market, their demonstrated ability to grow rapidly underscores the continuing potential cumulative threat to U.S. producers.

Changes in import flows were varied, depending upon fiber and type of construction. In the case of cotton garments for women and children, nine-month 1985 imports were up by 2.7 percent. A 8.6 percent gain in knit items was counterbalanced by a gain of 0.8 percent in wovens. In knit wool feminine apparel, imports were down 9.8 percent, but a gain in woven wool items of 20.3 percent brought total wool apparel ahead of last year by 2.6 percent. Imports of man-made fiber women's and children's wear rose 4.1 percent through September. Knits gained 1.3 percent and wovens were ahead by 7.9 percent.

Of the 21 products for which data are available, 13 showed gains in the first nine months of 1985. Playsuits and slacks and shorts were ahead less than 10 percent. Dress, brassiere, underwear and blouse imports advanced 11 to 15 percent. Swimwear and infants' sets were up 16 percent. Sweaters, girdles and corsets and nightwear and pajamas were ahead 27 to 36 percent. Judo and karate suits rose 41 percent and coveralls topped the list with an 83 percent boost.

Raincoats, skirts and dressing gowns were down less than 2 percent. Coats and tops and vests declined 6 to 7 percent. Knit shirts and bodywear were off 16 to 19 percent. The largest decline -- 21 percent -- took place in suits.

Action to stem the ever-worsening disruption of the U.S. industry and the loss of thousands of jobs and job opportunities centers on the Textile and Apparel Trade Enforcement Act. As this report goes to press, Congress should be concluding action to resolve differences between the House and Senate versions of the bill. The bill will then be forwarded to the President.

EMPLOYMENT, MANHOURS, AND PAYROLLS, WOMEN'S AND CHILDREN'S GARMENT INDUSTRY

AVERAGE EMPLOYMENT OF PRODUCTION WORKERS

Period	Coat, Suit Skirt	Dress	Blouse	Knit Outerwear (*)	Child. Outerwear	Other Outerwear	Corset, Brassiere	Underwear Nightwear	Knit Underwear (*)
1973	64,500	183,700	45,900	70,200	68,900	102,000	24,700	72,800	28,700
1980	57,100	127,900	54,100	59,400	55,100	120,400	13,900	62,100	26,700
1981	53,200	121,300	55,000	60,000	54,700	123,400	14,200	62,500	26,300
1982	47,900	110,900	52,200	55,400	52,000	117,700	12,100	58,600	24,200
1983	47,100	105,600	51,300	54,100	51,000	124,200	12,200	58,100	24,700
1984	46,300	100,200	51,400	56,400	54,200	130,200	12,300	59,700	23,700
Jan-Sep'84	46,900	102,000	51,800	56,800	54,400	130,600	12,500	59,800	24,000
Jan-Sep'85	42,400	92,400	49,000	53,700	52,100	127,700	11,300	57,200	22,000

MANHOURS OF PRODUCTION WORKERS (in millions)

Period	Coat, Suit Skirt	Dress	Blouse	Knit Outerwear (*)	Child. Outerwear	Other Outerwear	Corset, Brassiere	Underwear Nightwear	Knit Underwear (*)
1973	109.7	307.6	80.0	134.6	123.1	182.6	44.6	132.3	54.6
1980	97.1	202.6	92.7	114.2	97.9	209.2	24.1	113.4	49.4
1981	90.2	197.6	93.8	112.5	99.0	216.6	25.4	114.1	47.5
1982	78.1	179.9	89.7	101.7	92.1	199.9	20.4	102.8	41.9
1983	80.1	173.1	88.9	100.6	91.4	222.4	21.8	106.4	46.3
1984	79.4	166.1	89.3	105.3	99.2	233.6	22.7	110.2	44.3
Jan-Sep'84	60.8	127.3	67.6	80.2	74.6	176.3	17.3	83.3	33.9
Jan-Sep'85	54.5	117.1	63.9	75.3	71.1	171.8	15.3	78.5	30.0

PAYROLLS OF PRODUCTION WORKERS (in millions of dollars)

Period	Coat, Suit Skirt	Dress	Blouse	Knit Outerwear (*)	Child. Outerwear	Other Outerwear	Corset, Brassiere	Underwear Nightwear	Knit Underwear (*)
1973	$347.1	$906.5	$209.6	$389.0	$314.3	$481.7	$120.1	$321.9	$144.5
1980	489.2	953.7	399.0	535.6	417.9	930.0	105.9	464.1	225.4
1981	490.9	1,002.7	436.9	567.4	450.6	1,032.7	121.3	508.5	234.5
1982	444.0	946.5	427.8	534.1	436.2	991.7	103.9	476.3	216.6
1983	476.7	953.7	436.1	555.4	438.5	1,129.6	115.1	511.4	246.6
1984	489.9	946.8	451.8	609.4	491.0	1,221.9	126.3	548.2	245.7
Jan-Sep'84	372.5	721.6	340.3	461.6	368.8	918.9	96.3	411.0	188.1
Jan-Sep'85	351.2	677.8	327.6	456.0	359.1	917.5	88.9	407.1	170.5

* Men's and women's garments

SOURCE: U.S. Bureau of Labor Statistics and ILGWU Research Department estimates

EMPLOYMENT, MANHOURS AND PAYROLLS

Broad cutbacks in production have had disastrous effects on job activity in the women's and children's apparel industry for over a year. Production worker employment began declining, as against the prior year, in August of 1984 and has dropped in every single month since then. For the first nine months of 1985, employment is 5.8 percent short of the 1984 level. Total hours worked was also down 6.0 percent through September.

Average weekly earnings increased 2.8 percent this year, but payrolls declined 3.2 percent, depressed by the reduction in employment activity.

The downward employment trend was in evidence this year in every single branch of our industry. For the January-September period, compared to the same nine months of 1984, employment was down 9.6 percent in the women's coat, suit and skirt industry and 9.5 percent in the women's dress industry. Corset and brassiere employment was 8.3 percent behind 1984, while in knit underwear the number of workers lagged 8.3 percent.

In knit outerwear mills, employment dropped 5.6 percent and in blouse plants it was down 5.3 percent. The number of workers declined 4.3 percent in underwear and nightwear factories and 4.2 percent in children's outerwear. The smallest decline -- 2.2 percent -- took place in "other outerwear" which produces a wide variety of women's sportswear items -- pants, swimwear, playgarments, etc. -- as well as washable service apparel.

The total hours worked in each branch of the industry in the first nine months also suffered by comparison to 1984. Declines ranged from 2.5 percent to 11.6 percent, depending on the branch of industry involved. The average hours worked per week by the typical worker was down in every branch except dresses. Weekly earnings, on the other hand, were ahead in every branch except knit underwear. Payrolls were down in every industry sector.

Detailed data on employment in the women's and children's apparel industry is now available only up to September. Preliminary October data for the apparel industry as a whole suggest that the 1985 declines have continued. Employment in 1985 will almost certainly post a new low and close out the year nearly 25 percent behind the 1973 peak. Coupled with an unemployment rate in apparel of 11 percent this October, this fact suggests continued problems for apparel workers and their families.

HOURLY EARNINGS

Data on hourly earnings are not collected separately for unionized shops. It is, therefore, necessary to rely on the data collected by the Bureau of Labor Statistics for all shops.

The most recent information, for September 1985, shows a wide range of developments in the branches of the women's and children's wear industry. In evaluating these data, note should be taken that the wage increases negotiated under the major ILGWU outerwear agreements this year will not go into effect until 1986.

AVERAGE HOURLY EARNINGS, WOMEN'S GARMENT AND OTHER SELECTED INDUSTRIES

Industry	Sep. 1975	Sep. 1980	Sep. 1981	Sep. 1982	Sep. 1983	Sep. 1984	Sep. 1985
WOMEN'S GARMENTS							
Coats, Suits, skirts	$3.63	$5.18	$5.62	$5.75	$6.13	$6.31	$6.54
Dresses	3.31	4.89	5.22	5.28	5.54	5.78	5.80
Blouses	3.07	4.36	4.75	4.75	4.93	5.12	5.13
Knitted outerwear*	3.37	4.75	5.14	5.23	5.58	5.79	6.11
Children's outerwear	2.98	4.31	4.65	4.68	4.81	4.98	5.11
Other outerwear	3.05	4.55	4.82	5.01	5.10	5.33	5.36
Corsets, brassieres	3.25	4.45	4.91	5.17	5.43	5.61	6.04
Underwear, nightwear	2.84	4.14	4.51	4.67	4.84	5.09	5.20
Knitted underwear*	3.05	4.60	5.02	5.18	5.31	5.53	5.71
MEN'S CLOTHING							
Suits, coats	3.80	5.27	5.76	5.95	6.28	6.64	6.67
Shirts, nightwear	2.77	4.20	4.53	4.65	4.77	4.90	5.01
Separate trousers	2.93	4.35	4.66	4.85	5.03	5.22	5.28
Work clothing	2.82	4.17	4.45	4.77	4.89	5.10	5.32
ALL MANUFACTURING	4.91	7.43	8.16	8.58	8.89	9.24	9.54
NON-DURABLE GOODS	4.43	6.71	7.37	7.65	8.11	8.44	8.70
DURABLE GOODS	5.27	7.93	8.70	9.15	9.47	9.79	10.14
Automobiles	6.61	10.13	11.09	11.69	12.33	12.74	13.47
Primary metal industries	6.40	9.96	11.22	11.54	11.36	11.43	11.68
Printing, publishing	5.49	7.72	8.38	8.91	9.24	9.53	9.79
Rubber and plastic products	4.45	6.66	7.29	7.76	8.06	8.32	8.55
Cotton fabrics	3.56	5.48	5.95	6.04	6.46	6.77	7.08
Silk and synthetic fabrics	3.60	5.48	5.99	6.20	6.67	6.83	7.16
Wool fabrics	3.58	5.33	5.73	6.16	5.94	6.17	7.05
COAL MINING	7.26	10.95	12.34	13.02	13.96	15.11	15.24
BUILDING CONTRACTORS	6.90	9.41	10.12	10.70	10.87	11.04	11.35

* Men's and women's garments
SOURCE: U.S. Bureau of Labor Statistics

Hourly earnings advanced 43 cents in the corset and brassiere branch and 32 cents in knit outerwear in comparison to September 1984. Earnings increased 23 cents an hours in coats, suits and skirts, and 18 cents in knit underwear mills.

Hourly earnings were 13 cents ahead in children's outerwear and 11 cents in underwear and nightwear. The smallest gains -- from one to three cents an hour -- were in the blouse, dress and other outerwear branches.

Earnings of American garment workers clearly continue to reflect the competitive pressure of imports from low-wage countries.

COMMENTARY

The U.S. economy has been in an expansion phase since late 1982. A recession within the next year or two appears almost certain, given the economy's cyclical tendencies. Although the severity of an impending recession remains an open question, economic swings since the late 1960s have become more pronounced than in the earlier post-World War II period.

Business cycles -- alternating periods of economic expansion and contraction -- have been a persistent feature of industrial economies where investment, output, employment and prices are largely market-determined. Although the long-term trend has been upward, economic growth is frequently interrupted by periods of sharp decline.

Over the last 100 years, there have been 24 complete business cycles in the U.S., according to the National Bureau of Economic Research, a private research organization widely accepted as the arbiter of business cycle turns. The current expansion was the start of another cycle. We have had four recessions in the last fifteen years -- those occurring in 1970, 1974-75, 1980 and 1981-82. One quarter of the elapsed time has been spent in recession.

Consumer spending is the bedrock foundation of the economy -- by far the single largest and most stable component of total demand for goods and services. Fluctuations in consumer purchases of durable goods dominate business cycles. Such purchases may to some extent be postponed This, in turn, affects the level of business inventories, investment spending and net exports.

Whether or not an expansion is robust depends on the extent to which consumer spending increases. Large increases stimulate investment as businesses seek to expand production capacity to serve a growing market. The production of investment goods generates additional employment and incomes, which enlarge consumer demand and thereby provide further stimulus to investment.

Credit creation has always played an important role in facilitating expanded economic activity. Borrowing allows households and businesses to purchase consumption and investment goods beyond the levels of current income and profit flows. Growth becomes constrained, however, when household and business debt levels become too high, resulting in a rise in interest rates and the tightening of credit terms.

To an extent, most downturns are self-limiting. In time, excess inventories are worked off, capital equipment wears out and households can no longer put off the purchase of big ticket items. During slack periods, debt levels are also generally reduced as more loans are repaid relative to the amount of new borrowing. But the regenerative process is far from automatic and depends as well on whether government fiscal and monetary policies are conducive to expansion. Circumstances particular to each specific business cycle may also operate as stumbling blocks to renewed growth.

Despite the regularity of certain business cycle features, expansions and contractions have varied widely both in duration and intensity. Since World War II, expansions on average have been longer and contractions shorter than in the 100 prior years. From 1846-1945, expansions averaged 29 months and

contractions 20 months. Since 1945, expansions have averaged 34 months (44 months if the long Korean and Vietnam War expansions are included) and contractions have averaged 11 months.

The increased role of government has been a principal factor in the moderation of the business cycle since World War II. The progressive income tax and the growth of entitlement programs, especially Social Security and counter-cyclical unemployment insurance, have made the relationship between after-tax income and GNP more stable. Federal deposit insurance and banking and securities regulatory measures introduced in the 1930s strengthened the stability of financial institutions and have averted the financial "panics" of the past.

On the other hand, monetary policy as conducted by the Federal Reserve Board, a quasi-governmental body heavily influenced by the banking community, has been the chief vehicle used to restrain economic growth, often with the result of pushing the economy into recession. On many occasions, the Federal Reserve has acted to curtail borrowing by restricting bank reserves to combat inflation.

Business cycles since the late 1960s have become more volatile than they had been in the early postwar years. In the four expansions since 1970, the annual rates of increase in real GNP and industrial production have slowed from the average rates for the early postwar period, while the unemployment rate has been pushed steadily higher.

Despite its brevity, the 1980 downturn was by no means a mild contraction and it was followed by another recession only a year later. The 1974-75 and 1981-82 slumps were not only very deep but, lasting 16 months each, were far longer than any of the earlier postwar recessions.

Deterioration of the economy's performance since 1970 can be traced to a number of factors, particularly:

* the increased internationalization of the U.S. economy;
* monetary policy changes and financial market deregulation; and
* the decline of the U.S. industrial base.

Greater international monetary flows under a regime of floating exchange rates and increased foreign trade, particularly merchandise imports, have both had destabilizing effects. In the early 1970s, under the pressure of huge dollar outflows, the fixed exchange rate international monetary system of the early postwar era gave way to flexible exchange rates.

Under the floating exchange rate system, the foreign exchange value of the dollar dropped severely in the late 1970s, then rose sharply upward in the 1980s. Such dramatic currency changes have distorted trade patterns and engendered substantial international capital movements, much of it speculative.

An estimated $150 billion a day, or about $35 trillion a year, changes hands worldwide in international currency markets. Considering that the volume of world trade is approximately $2 to $2.5 trillion annually, and that the value of long-term foreign investment increases by at most, say, one-tenth that amount per year, it appears that the volume of currency trades is somewhere between ten and fifteen times as great as the volume needed to facilitate trade

in goods and services and direct foreign investment. The difference, then, could represent inter-bank transactions and speculative activity.

In carrying out a severely restrictive anti-inflation monetary policy, the Federal Reserve shifted in October 1979 from an interest rate orientation to money supply target ranges. Coupled with the deregulation of interest rates and intensive competition for deposits among deregulated financial institutions, the new monetary policy approach has allowed interest rates to rise to unusually high levels.

Higher interest rates have discouraged productive investments by raising the expected rate of return needed to justify investment projects. High interest rates have also contributed to the rise in the dollar's exchange value by attracting interest-sensitive short-term capital from other countries. The high-valued dollar, in turn, accelerated the growth of merchandise imports. However, given the failure of the government to regulate imports, expansion of export-oriented manufacturing in many third world countries would have occurred even in the absence of the dollar's appreciation.

The decline of the U.S. industrial base is the most damaging development in the 1980s and carries with it disturbing implications for future economic growth. Eroded by imports and starved of new investment, a significant portion of U.S. manufacturing has been permanently lost and is unlikely to recover even as the decline in the dollar continues. Production worker employment in manufacturing is 1.9 million less than in 1979, a 12.5 percent shrinkage. In the current expansion, manufacturing average hourly earnings have increased at the slowest pace in the postwar era.

Employment in the goods-producing sector is no higher in 1985 than it was in 1973. All of the 18-20 million net employment increase in the last dozen years has occurred in services. The latest Labor Department projections anticipate that 9 out of 10 new jobs in the coming decade will be in the service sector.

While providing considerable relief from the disastrous 1981-82 recession, the economy's expansion since late 1982, as noted earlier, is premised on a heavily debt-financed foundation. The sheer volume of debt requiring repayment will most likely restrain further growth for some time.

Representatives of four major industrial countries met with U.S. officials in late September to attempt to counteract the over-valued dollar. While their efforts have met with some success in that the dollar's relative value has declined, it is still far higher than when it began its steep ascent in 1980.

An easy monetary policy aimed at driving the dollar down should keep interest rates low. On the other hand, if U.S. interest rates drop further than rates in other international capital markets, foreign capital could start flowing out, making it more difficult to finance the budget deficit. The likely result can in time well be a rise in interest rates, leading to a return of foreign capital and with it a higher dollar, slower growth and heavier debt burdens.

Finally, the unprecedented federal debt has strait-jacketed the government's ability to use such expansionary fiscal policies as tax cuts in response to a future downturn. Mounting pressure for federal spending cuts and tax increases only heightens the likelihood of a protracted slowdown.

APPENDIX

UNIT PRODUCTION AND NET VALUE OF SHIPMENTS, WOMEN'S AND CHILDREN'S GARMENTS

UNIT PRODUCTION (millions of garments)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
WOMEN'S AND MISSES'													
Coats	25.2	24.6	22.3	23.0	21.9	21.4	20.7	20.8	19.7	16.4	13.5	13.1	13.0
Suits (excl.pantsuits)	6.7	7.6	7.8	9.4	12.0	14.4	12.2	12.0	11.3	9.4	9.5	9.5	8.0
Pantsuits	17.9	18.5	22.7	27.3	25.9	26.4	24.1	17.8	10.9	6.8	5.0	4.7	3.9
Jackets	20.5	26.8	28.6	22.8	26.0	27.0	23.3	26.4	33.4	42.5	45.4	42.6	37.4
Dresses	289.4	279.9	244.4	233.9	227.5	248.1	252.3	252.5	250.3	209.6	189.0	179.9	178.6
Blouses	215.3	234.8	241.8	271.9	288.0	323.9	356.0	406.8	402.3	390.5	396.2	407.7	370.9
Knit sport shirts	86.3	85.3	100.4	108.8	119.6	154.3	157.9	162.5	161.2	138.6	161.6	133.9	131.7
Sweaters	79.7	90.4	85.9	94.1	92.2	95.3	90.0	78.2	77.8	89.7	86.0	87.1	94.3
Skirts	66.2	62.9	54.8	58.6	58.1	59.9	70.8	75.3	86.1	114.3	118.8	114.8	111.5
Slacks	139.8	161.8	181.0	195.9	205.6	196.9	197.9	213.2	218.6	207.8	208.3	213.4	199.6
Dungarees & jeans	65.8	72.2	77.0	75.0	82.9	80.4	65.7	90.1	100.8	120.5	107.3	116.3	109.5
Playgarments	33.5	33.0	29.8	30.6	29.4	29.7	32.1	33.0	30.2	29.6	52.5	50.7	49.7
Bathing suits	24.1	21.3	21.9	24.2	27.2	30.2	32.9	35.8	32.8	39.6	41.9	38.0	41.7
Raincoats	10.9	10.0	8.6	8.5	8.7	6.9	6.3	6.7	6.9	6.0	5.3	4.5	4.2
Washable service app.	0.7	29.6	33.1	29.4	29.2	38.9	39.9	41.4	37.2	36.9	45.2	37.4	39.0
Corsets	66.2	58.7	52.4	53.3	51.8	53.1	49.2	47.5	48.1	47.4	43.9	42.3	38.2
Brassieres	236.7	232.0	201.9	187.5	207.1	209.6	206.5	216.1	216.4	216.0	203.5	218.8	201.1
Slips & petticoats	104.8	93.9	82.3	70.7	80.6	80.9	83.7	86.0	75.9	69.8	65.8	68.0	67.2
Panties	419.2	470.5	440.3	507.3	524.2	484.0	482.5	494.9	561.8	591.7	433.0	445.1	450.3
Nightgowns & pajamas	182.7	178.2	172.7	161.3	163.1	174.2	180.9	164.7	162.7	167.9	156.8	145.6	137.8
GIRLS', CHILDREN'S AND INFANTS'													
Coats	8.7	8.3	8.5	7.5	7.2	5.8	5.1	5.4	4.1	4.2	3.2	3.0	3.0
Jackets	6.0	7.1	7.7	8.1	7.9	7.7	6.8	6.6	7.4	8.5	7.8	8.6	8.4
Dresses	106.5	100.8	91.4	83.4	79.3	80.1	80.3	83.0	87.4	81.2	77.3	83.7	89.3
Blouses	36.3	34.7	35.7	41.9	49.6	52.4	60.0	56.9	57.5	55.3	59.5	57.8	54.5
Knit sport shirts	107.7	125.7	127.0	137.8	154.9	152.0	153.5	148.4	148.3	151.9	154.5	150.0	141.4
Sweaters	18.3	20.0	21.9	19.5	16.1	21.7	18.2	15.9	16.3	15.6	14.0	15.0	15.5
Skirts	8.5	9.4	7.4	6.6	7.3	5.9	8.5	9.0	10.4	7.6	19.3	11.8	9.0
Dungarees & jeans	28.8	26.7	28.2	30.2	36.1	40.9	40.5	40.7	50.4	58.1	43.5	48.2	50.0
Slacks & shorts	56.7	58.8	60.7	56.6	54.1	52.0	50.5	59.1	62.2	64.0	66.8	65.9	74.1
Playgarments	121.7	125.0	123.2	113.7	117.0	118.4	147.2	142.8	142.2	130.9	134.2	124.7	113.4
Bathing suits	11.9	10.7	11.4	9.6	10.4	10.7	11.3	10.9	10.3	10.8	10.4	9.5	11.3
Raincoats	1.4	1.1	1.1	0.6	0.5	0.4	0.5	0.4	0.5	0.4	0.4	0.2	0.1
Slips & petticoats	14.1	10.9	7.9	8.2	6.6	5.5	5.8	6.6	6.6	6.3	4.8	5.2	4.5
Panties	222.1	190.4	180.2	181.7	196.0	170.3	172.9	176.5	176.1	167.0	153.0	147.6	147.0
Nightgowns & pajamas	107.3	102.2	105.9	97.5	89.5	97.1	102.2	95.7	99.6	90.6	85.5	95.3	90.3

VALUE OF SHIPMENTS, WOMEN'S AND CHILDREN'S APPAREL (millions of dollars)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
TOTAL	$10,914	$11,935	$12,383	$13,268	$14,279	$15,659	$17,487	$19,056	$20,597	$22,087	$22,698	$23,539	$23,046
WOMEN'S OUTERWEAR													
Coats	611	623	690	670	699	687	774	894	852	776	685	699	753
Suits, ex. pantsuits	169	182	192	242	272	378	381	376	377	361	388	403	363
Pantsuits	272	305	324	330	332	376	360	247	163	111	103	101	92
Jackets	168	239	296	239	290	328	369	504	727	1,017	1,129	1,146	991
Dresses	2,737	2,878	2,659	2,856	2,949	3,141	3,743	3,770	3,706	3,514	3,391	3,405	3,424
Blouses and waists	801	968	1,104	1,286	1,371	1,574	1,916	2,251	2,468	2,713	2,855	3,071	2,697
Knit sport shirts	304	321	383	431	475	608	636	676	710	684	877	858	830
Sweaters	336	395	393	441	469	507	527	466	480	560	579	612	698
Skirts	308	338	318	405	449	503	689	815	1,021	1,329	1,433	1,520	1,460
Slacks	608	816	915	1,087	1,190	1,232	1,439	1,545	1,705	1,816	1,878	1,793	1,751
Dungarees and jeans	245	305	368	397	461	515	427	684	878	1,227	1,056	1,342	1,347
Playgarments	117	140	129	125	136	166	152	139	163	141	227	221	253
Bathing suits	165	139	152	159	173	193	231	284	307	399	458	440	471
Raincoats	155	160	162	172	165	183	216	208	233	226	203	194	186
Washable service app.	511	511	610	670	709	709	796	247	238	245	271	271	290
Other outerwear													
CHILDREN'S OUTERWEAR													
Coats	75	82	93	84	85	84	84	83	92	83	89	82	82
Jackets	39	35	39	42	47	47	41	38	48	63	63	58	71
Dresses	327	325	300	348	346	356	377	438	504	509	557	595	611
Blouses and waists	67	70	81	99	114	138	170	179	196	225	241	239	214
Knit sport shirts	142	172	195	215	259	279	305	335	398	462	478	467	435
Sweaters	48	50	51	44	41	53	50	61	64	65	68	72	98
Skirts	25	32	25	26	32	30	44	49	60	49	85	57	42
Slacks & playgarments	410	429	472	475	507	528	566	606	745	754	811	847	904
Dungarees and jeans	57	69	77	99	115	141	142	157	209	234	234	246	231
Bathing suits	30	28	32	28	31	37	43	43	41	45	50	45	57
Raincoats	9	8	8	6	5	4	5	6	8	7	7	5	2
Other outerwear	143	147	152	154	161	153	159	164	172	184	194	195	187
INTIMATE APPAREL													
Corsets & brassieres	696	697	640	636	705	747	752	789	852	901	923	997	933
Undergarments	521	539	541	597	671	704	782	895	971	1016	989	1056	1077
Nightwear	687	722	784	762	816	935	1003	1089	1182	1273	1240	1300	1274

(A) Includes sweatshirts
(B) Includes playsuits, shorts, pedal pushers and other playgarments

SOURCE: U.S. Bureau of the Census data benchmarked to the Census of Manufactures

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CONDITIONS IN THE WOMEN'S GARMENT INDUSTRY

October 22, 1986

ECONOMIC BACKGROUND

Incomplete data for the third quarter of 1986 show a continuation of sluggish economic growth, despite the temporary bulge in automobile sales. Real output of goods and services, the measure of Gross National Product adjusted for price changes, grew only 0.15 percent in the second quarter, a drop from the more substantial 0.9 percent gain in the first quarter.

With little likelihood that any important improvement will occur in the fourth quarter, the economy will grow at a slower pace in all of 1986 than the 2.7 percent gain in 1985. Second quarter growth was so low that, with normal errors and omissions in reporting, it might actually have been absolutely flat or down. Continued sluggishness may lead to a turndown in 1987.

The rate of total job growth in the third quarter slowed perceptibly, as in the second quarter. The production worker component of employment declined in both the second and third quarters. Production worker employment has dropped by 568,000 jobs from the fourth quarter of 1984 through September 1986.

While service industries generated new jobs in September as in previous periods, employment in these industries is growing far more slowly than in the past. Added employment by service industries was 483,000 in the third quarter, a decrease from 521,000 in the second and 644,000 in the first quarter. In each of these quarters, additional service jobs created were far less than the 700,000 new service jobs created in the fourth quarter of 1985.

Implicit in production worker employment figures is the conclusion that factory output cannot be expected to post an important pickup soon. This is also borne out by the data on industrial output in the first two quarters and the first two months of the third quarter of this year. The data show almost no rise in output over 1985. Production growth in both years is considerably lower than in the first two years after the 1981-1982 recession.

Total civilian employment also registered a decline in the rate of increase over 1985 and the prior two years. Unemployment continued to hover around 7.0 percent. In addition to the 8.2 million officially counted as unemployed, an

additional 5.2 million workers were working parttime in the third quarter because they could not find fulltime jobs. An additional 1.2 million were not counted as unemployed because they had given up their job search.

Retail sales grew more rapidly in the third quarter of 1986 than in the two prior quarters, most of it in durable goods. Low interest rates offered by the automobile companies at the tail end of the summer boosted durable goods sales. Reflecting the substantial buildup of inventories, this year's inducements were larger than ever, including 2.9 percent interest rates.

The huge increase registered in automobile sales as a result of low interest and rebate programs may be expected to affect sales of new 1987 models as they become available in the fourth quarter. The auto industry has once again borrowed from future sales to reduce current high inventories. Sales of non-durable goods grew at a slower rate in the second and third quarters than in the first, when it was also much lower than it had been two years ago.

A basic reason for the slowing down of consumer purchases other than automobiles has been the sharp drop since May of this year in the rate of growth in consumer debt. Consumer debt growth in August dropped from an annual rate of 12.2 percent in the first half of the year to an annual rate of 7.8 percent in August. The rate of increase dropped in credit card debt, but was up in auto debt because of financing incentives.

Consumer spending has been a major factor in maintaining the economy. With debt repayment obligations taking on a greater share of consumer disposable or after-tax income -- 19.2 percent at mid-year -- consumer debt additions may drop further this year. This would force cutbacks in purchases of big-ticket items and, therefore, in their production.

Personal consumption outlays, a key element in GNP, rose at an annual rate of more than 3.5 percent in the first, 6.2 percent in the second and 5.9 percent in the third quarter. Much of the spending was for imports which did not translate into domestic growth.

Imports of goods and services contributed to the lack of domestic economic growth as the rapid upward spiral that has characterized the Reagan Administration's trade performance went on unabated. It is detailed further elsewhere in this report. Exports increased in the first quarter, but declined in the second. The merchandise trade deficit is now running at an annual rate of about $175 billion and may even come close to $200 billion at year end.

The housing industry, where starts and sales of new homes rose sharply early in 1986, provides an example of how imports have not permitted domestic suppliers to gain fully from an industry's growth. Among imported materials, lumber rose 24 percent and such basics as nails, screws and bolts were up 9 percent.

Business investment in plant dropped very sharply in the first quarter and somewhat less in the second quarter. Investment in equipment in the second quarter recovered all of this loss. In large measure this recovery may be ascribed to the new tax law, anticipated for much of this year, which would cut back tax deductions on new equipment next year.

Government spending also dropped sharply in the first quarter, overwhelmingly in the non-military area. Military outlays were higher in the second quarter,

while non-military purchases continued to fall. State and local government purchases of goods and services rose in each of the two quarters.

Starts and sales of new houses cooled considerably as 1986 progressed. New starts are expected to drop by at least 10 percent in 1987 and multifamily starts by even more. An estimated 80 percent of apartment construction is financed by tax shelter syndicates. Limitations on shelter deductions under the new federal tax law will decrease capital available for such ventures. Starts in 1986 were also encouraged by state and local tax-free bond issues last December, enough to finance 300,000 starts.

Consumer prices, which had been growing at a rate of something under 3 percent for some time, began to show signs of moving up slightly in the third quarter. This followed smaller increases in the first quarter and a substantial drop in the second. Prices in July and August of this year registered a 1.6 percent rise over the like period of a year ago.

In addition to these factors limiting growth in the American economy, there is what has become an ongoing major problem -- the federal budget deficit. The deficit doubled to $2 trillion in the first five years of the Reagan Administration and is expected to go higher by as much as an additional $200 billion this year. The annual cost of servicing this debt is now about $160 billion and may hit well over $200 billion by the end of the current decade.

Even half this amount could have eased many social problems in the country, exacerbated by cuts in social expenditures over the last six years. Instead, two-thirds of the interest cost on the debt -- the Federal Reserve System receives about one-third -- goes to private investors, both domestic and foreign. They are the beneficiaries of the economic and social policies of the Reagan Administration.

RETAIL SALES

Retail sales continued to be a major source of support for the domestic economy in 1986. Overall, they rose 4.8 percent through September 1986 by comparison with the same months of 1985. With interest rates on consumer loans remaining high, except for loans on automobiles, retailers were forced to offer significant discounts to move merchandise. As a result, prices charged by retailers declined 0.8 percent this year. Real sales increased 5.6 percent in the nine month period.

Much of the strength in retail sales this year was concentrated in the eastern part of the country. Total retail sales in New England grew at twice the national pace and sales in the Middle Atlantic and South Atlantic regions also showed greater than average growth. Sales in the Midwest and the Southwest were relatively flat, while the West coast grew in line with the national norm.

Sales of durable goods stores were up 7.8 percent in actual dollars and 8.1 percent in real terms in the first nine months of 1986. Sales of automobiles were aided by rebates and below-market loans offered by dealers as well as by the overall drop in interest rates. This promotional effort peaked in September. Durable sales were also helped by above the average volume done by building supply dealers and retailers of furniture and appliances.

RETAIL SALES OF WOMEN'S AND CHILDREN'S WEAR* BY TYPE OF OUTLET
(in millions of dollars)

Period	Total Sales	Department Stores	Women's Specialty Stores	Family Clothing Stores	Other Retail Outlets
1973	$27,974	$12,308	$9,336	$2,502	$3,828
1980	49,019	20,409	17,097	5,060	6,453
1981	54,872	23,188	19,053	5,805	6,826
1982	58,961	24,477	20,618	6,571	7,295
1983	64,755	26,460	22,966	7,349	7,980
1984	71,229	29,295	25,414	7,902	8,618
1985	75,656	30,587	27,315	8,728	9,026
Jan-Sep'85	51,391	20,891	18,562	5,807	6,131
Jan-Sep'86	54,749	22,054	20,027	6,263	6,405

* Data include traditional products of the women's garment industry as well as millinery, furs, hosiery, gloves and other accessories.
SOURCE: ILGWU Research Department (benchmarked to 1967, 1972, 1977 and 1982 Census of Business).

Sales of non-durable goods stores rose only 2.9 percent through September. After allowing for the 1.1 percent price drop in the period, real sales were ahead by 4.0 percent. The sharp drop in volume of business of gasoline service stations as a result of price cuts helped hold down non-durable volume.

Retail sales of women's and children's apparel moved ahead 6.5 percent through September by comparison with sales in the same months of last year. Here, too, competition from discounters and efforts to keep inventories lean led to price cutting. After allowance for the 1.3 percent decline in retail prices, real sales of women's and children's wear this year were ahead by 7.9 percent.

Traditionally, sales of apparel hold up better than large-ticket durables in periods of economic weakness. This trend is not in evidence when the national data for 1986 are examined. However, in some regions hard hit by industrial plant closings, agricultural problems and oil and gas industry weaknesses, apparel sales did relatively well this year while durables sales were lagging.

Specialty stores continued to gain ground over Department Stores and other outlets as sources for women's and children's apparel. Both those specializing in women's and children's apparel and those selling goods for the entire family advanced 7.9 percent in the first nine months of 1986 as against last year. Department Store sales of feminine apparel were up 6.5 percent this year, while sales of all other outlets selling women's and children's wear were only 4.5 percent in front of 1985.

PRODUCTION OF WOMEN'S AND CHILDREN'S WEAR

The Bureau of the Census recently published detailed data on the quantity and value of women's and children's wear produced in the United States in 1985. The data clearly demonstrate the impact of the growing volume of imported apparel on our domestic market.

Total dollar volume declined 4.8 percent between 1984 and 1985 to reach the lowest level in the past 5 years (see appendix table attached to this report for historical information). In the case of production, 29 out of the 35 products shown in the table lost ground in 1985, often reaching new lows.

Production activity in our industry continued to lag as 1986 advanced, though by a much smaller margin. Since the government does not publish any aggregate monthly series showing production activity in women's and children's wear, the ILGWU Research Department prepares current estimates of physical volume of output. These data indicate a drop in the first 8 months of 1986 of 0.6 percent by comparison with the same months of a year ago. Between 1984 and 1985 the series showed a 5.8 percent drop.

These declines, if anything, are conservative. The Census Bureau asks reporting manufacturers to include in the domestic production data garments cut here and sewn abroad under Item 807.00 of the Tariff Schedules. As a result, actual U.S. production is overstated by approximately 7 percent. In addition, it is also highly likely that the production data erroneously include some regular imports.

The lack of detailed production data on a current basis has hampered detailed analysis of industry developments, particularly demonstration of market disruption by imports under our various bilateral agreements. Congress has just adopted legislation mandating the collection of quarterly production data by the Census Bureau. While the program has not yet gone into operation, it does offer the possibility of more detailed information in the near future.

Until the new reports commence, the only current production data are the monthly data the Census Bureau collects on a limited number of women's outerwear items. These data show a somewhat mixed pattern so far in 1986.

Production of women's knit sport shirts in the first 8 months of 1986 was ahead of the corresponding 1985 months by 1.8 percent. Output of women's skirts was ahead 2.1 percent in this same time frame. The major gainer was sweaters. Women's sweaters were up 12.4 percent, while those for men were ahead of last year 17.2 percent. In combination, production of men's and women's sweaters were up 13.5 percent. Even these limited gains may be short-lived. Women's sweater production has been lower than last year from June on, while skirt output was behind in July and August.

The other items of women's outerwear for which data are currently available all evidenced downturns in 1986. A fairly strong showing early in the year in women's coats was wiped out by 5 months of sharp decline; for the 8 months as a whole, output was off 16.6 percent. Women's dress production has declined 13.6 percent so far this year.

UNIT PRODUCTION OF SELECTED WOMEN'S AND MISSES' GARMENTS AND PHYSICAL VOLUME OF OUTPUT, WOMEN'S AND CHILDREN'S APPPAREL INDUSTRY

(in millions)

Period	UNIT PRODUCTION									Total Output#
	Coats	Suits @	Tailored Jackets	Dresses	Blouses	Knit Sport Shirts	Skirts	Slacks & Jeans	Sweaters *	
1966	27.7	11.6	N.A.	321.3	223.2	49.2	131.1	110.9	147.0	$9,065
1976	21.9	37.9	19.0	227.5	288.0	119.6	58.1	288.5	139.3	$8,821
1979	20.8	29.7	21.1	252.5	406.8	162.5	75.3	303.3	119.6	$9,413
1980	19.7	22.2	25.6	250.3	402.3	161.2	86.1	319.4	119.2	$9,288
1981	16.4	16.2	37.0	209.6	390.5	138.6	114.3	328.3	137.9	$8,867
1982	13.5	14.5	41.5	189.0	396.2	161.6	118.8	315.5	132.5	$8,595
1983	13.1	14.2	38.8	179.9	407.7	133.9	114.8	329.7	131.2	$8,431
1984	13.0	12.0	33.3	174.9	356.5	128.2	110.3	308.6	130.5	$8,114
1985	11.5	11.6	27.2	167.3	335.1	111.8	105.9	298.7	139.9	$7,647
Jan-Aug'85	7.3	6.7	18.4	118.9	225.8	76.2	71.2	202.7	83.4	$5,131
Jan-Aug'86	6.1	N.A.	17.5	102.7	205.6	77.6	72.7	185.6	94.6	$5,101

N.A. -- Not available
@ Suits including pant-suits
* Sweaters for women and men
# Physical volume of output of women's and children's apparel industry expressed in 1967 value.
SOURCE: U.S. Bureau of the Census and ILGWU Research Department (benchmarked to 1963, 1967, 1972, 1977 and 1982 Census of Manufactures).

More moderate declines of 8.9 percent and 8.4 percent took place in the manufacture of women's blouses and women's slacks and jeans. The smallest decline -- 4.9 percent -- took place in women's tailored jackets.

For most products for which published monthly data are not available, conclusions on current developments must be drawn from press comment and market reports. For the most part, activity was on a par with last year.

IMPORTS

Apparel imports, particularly those for women and children, have continued to grow at a rapid pace in 1986. In the first eight months, total imports of these products in all fibers, measured in terms of equivalent square yards of fabric used in their manufacture (SYE), soared 24.8 percent over the same

period last year. Apparel imports for both sexes was up 18.9 percent. These figures include products made of silk, linen and ramie, finally covered in the new Multifiber Arrangement (MFA). Clearly, import inroads are once again headed for new highs when the books are closed on 1986 shipments.

This year's growth is far outstripping last year's. In 1985, imports of women's and children's apparel moved ahead 14.7 percent, while all apparel advanced 11.0 percent.

A significant factor in import growth was the continued spectacular rise in the import of women's and children's garments made out of the newly covered fibers mentioned above. These shipments rose 43.3 percent in the first eight months of 1986 by comparison with the same months of 1985. These unregulated fibers accounted for 13.1 percent of the 1986 shipments

The 1986 import growth took place on a broad front. Total imports of women's and children's wear in the three original MFA fibers rose 22.4 percent . Imports of cotton women's and children's wear were ahead 22.2 percent, those of man-made fibers gained 22.3 percent and wool garments were up 28.7 percent.

Detailed data on women's and children's wear imports by country through August are not yet available. However, information on imports of all cotton, wool and man-made fiber apparel provide a picture of what has been happening. Unlike last year, when the largest exporters showed relatively modest growth, thus far in 1986 they account for a major portion of import growth.

China led the way, chalking up a 72.8 percent gain in the first eight months and accounting alone for more than a third of the overall apparel import growth this year. Taiwan shipments were up 13.0 percent, Hong Kong was ahead by 11.2 percent and Korea was 5.5 percent higher than last year.

While the U.S. government had promised to renegotiate agreements with these major shippers that would hold the line at 1985 levels, these countries boosted shipments to beat any quota tightening and to build a higher negotiating base. When the U.S. concluded agreements with Taiwan, Hong Kong and Korea, additional import growth was permitted on top of already record high levels.

Imports of apparel this year from the Caribbean Basin Initiative countries (CBI) have soared 32.5 percent in the wake of the Reagan Administration's program to encourage such shipments. The agreement concluded this year with Jamaica offers virtually unlimited access to the U.S. market, without even insuring that garments will be made of American fabric, an original selling point for the program. A similar agreement has been negotiated with Haiti.

Much has been made of the potential impact of the falling value of the dollar in reducing apparel imports. The devaluation has been most significant in the exchange rates with European trading partners, yet the apparel imports from the European Community are up 21.0 percent this year to date, although they now account for roughly only 3 percent of our total apparel imports.

A number of smaller exporting nations also continued rapid expansion of their apparel shipments to the United States this year, though few matched the spectacular performance of last year. The pervasive nature of import growth -- independent of size and location -- has contributed to the growing disruption of the U.S. market and the loss of jobs for U.S. garment workers.

IMPORTS OF SELECTED WOMEN'S AND CHILDREN'S GARMENTS
(in thousands of units)

Product	Year 1981	Year 1982	Year 1983	Year 1984	Year 1985	Jan-Aug 1985	Jan-Aug 1986
Coats & jackets, cotton	19,774	18,935	18,528	23,085	24,824	16,878	18,584
" " " wool	2,300	2,229	3,276	4,343	5,090	3,168	3,763
" " " synthetic	31,744	39,915	42,645	43,578	42,176	26,280	32,683
TOTAL	53,818	61,079	64,448	71,007	72,091	46,326	55,110
Suits, wool	654	1,018	1,390	1,413	1,175	752	1,078
" synthetic	2,112	2,955	4,963	5,503	5,177	3,124	4,295
TOTAL	2,766	3,973	6,353	6,916	6,351	3,875	5,373
Dresses, cotton	9,396	9,397	12,280	16,063	17,787	13,690	15,991
" wool	1,109	415	1,022	2,109	1,741	813	1,508
" synthetic	15,839	13,798	21,599	25,626	30,401	19,832	25,378
" silk (non-ornamented)	1,697	1,563	2,385	3,304	3,219	2,001	1,845
TOTAL	28,041	25,172	37,286	47,101	53,149	36,335	44,723
Blouses, cotton	118,007	125,985	140,055	164,373	194,672	143,706	174,188
" wool	7,968	5,186	7,166	10,060	8,382	4,650	5,460
" synthetic	96,686	107,699	123,598	128,085	168,239	106,961	159,429
" silk (non-ornamented)	5,402	4,272	6,094	10,684	9,852	6,158	7,295
TOTAL (c)	228,064	243,142	276,913	313,203	394,298	271,338	353,049
Knit shirts (a), cotton	47,488	54,144	57,799	71,303	63,088	45,650	52,620
" " synthetic	126,803	137,109	170,522	158,221	149,570	99,465	124,198
TOTAL	174,290	191,253	228,321	229,523	212,658	145,115	176,818
Sweaters (b), cotton	5,651	8,900	10,000	15,189	20,828	12,205	16,238
" wool	27,519	31,055	34,392	42,063	44,370	25,127	26,505
" synthetic	112,608	115,244	128,981	136,211	145,873	103,783	111,022
TOTAL (c)	149,035	161,556	187,622	242,638	324,193	198,504	251,645
Skirts, cotton	14,327	14,740	19,530	25,501	27,392	19,914	29,222
" wool	1,287	1,556	2,933	4,206	5,216	2,998	5,695
" synthetic	5,944	7,038	13,980	15,685	18,254	10,931	23,607
TOTAL	21,559	23,334	36,443	45,392	50,861	33,844	58,524
Slacks & shorts, cotton	106,626	99,845	140,596	149,269	157,843	110,314	135,856
" " " wool	1,348	1,552	2,200	3,131	4,990	2,886	3,122
" " " synthetic	75,482	107,224	97,166	112,308	133,198	88,732	114,540
TOTAL (c)	184,537	209,390	240,748	265,970	297,535	202,787	254,265
Playsuits, cotton	21,230	23,157	24,100	34,631	40,292	30,233	31,047
" synthetic	7,911	7,126	9,493	14,144	16,428	9,075	17,239
TOTAL	29,141	30,283	33,593	48,776	56,719	39,308	48,286
Raincoats (b), cotton	1,995	2,044	2,332	3,927	2,440	1,694	1,409
" synthetics	4,764	4,578	4,445	7,534	9,401	5,973	6,396
TOTAL	6,759	6,623	6,777	11,460	11,841	7,667	7,805
Dressing gowns & robes, cotton	2,487	3,349	4,196	4,528	6,004	3,877	4,140
" " " " wool	7	8	10	20	41	31	18
" " " " synthetic	2,046	2,015	2,418	3,625	2,994	1,686	2,755
TOTAL (c)	4,572	5,406	6,689	8,270	9,193	5,667	7,022
Nightwear & pajamas, cotton	10,678	11,803	13,130	14,730	18,843	10,099	13,403
" " " synthetic	2,735	4,755	6,570	10,314	15,872	8,245	13,596
TOTAL (c)	13,423	16,585	19,742	25,111	34,889	18,387	27,079
Underwear, cotton	28,368	45,980	70,313	65,846	90,950	57,472	62,290
" wool	227	263	250	294	324	167	194
" synthetic	40,693	38,109	50,978	87,929	92,088	53,324	76,178
TOTAL (c)	69,502	84,654	121,857	154,855	184,688	111,553	139,451
Brassieres, cotton	1,178	1,640	3,244	2,800	9,180	6,773	6,214
" synthetic (c)	150,922	136,239	144,733	149,281	159,825	104,806	106,929
TOTAL	152,100	137,879	147,976	152,080	169,006	111,580	113,143
Girdles & corsets, cotton	54	23	38	68	125	37	319
" " " synthetic (c)	7,752	7,445	9,546	13,036	15,218	10,134	8,129
TOTAL	7,806	7,468	9,584	13,104	15,343	10,171	8,447
Infants' sets (d), cotton & synthetic	36,634	35,999	43,964	61,054	72,576	47,565	53,834
Swimwear, synthetic	8,059	9,247	9,949	12,090	15,183	11,124	12,121
Tops & vests, cotton & synthetic	13,160	9,453	8,393	12,358	12,026	8,546	8,979
Body suits & shirts, synthetic	1,564	2,684	5,289	5,728	4,821	3,534	3,140
Coveralls (e), synthetic	812	908	1,165	1,514	2,667	1,771	3,017
Judo/karate suits, cotton & synthetic	190	273	293	476	1,027	393	582

(a) Excludes knit tops
(b) Men's, women's and children's
(c) Includes garments of silk and other fibers not shown separately
(d) Up to and including 2 years of age
(e) Includes overalls and jumpsuits

SOURCE: U.S. Bureau of the Census (imports for consumption)

Import growth has been spread over a wide range of women's and children's wear apparel items. Nineteen of the 21 products for which data are available advanced in 1986. Skirts and coveralls rose more than 70 percent each. Nightwear and karate suits were up 47 to 48 percent, blouses and suits were ahead by 30 to 39 percent, while sweaters, slacks and shorts, underwear, robes, dresses, playsuits and knit shirts rose 22 to 27 percent. Imports of coats and jackets and infants' sets gained 13 to 19 percent. Ahead by less than 10 percent this year were swimwear, tops and vests, raincoats, and brassieres.

Only two items declined this year. Body suit imports were off 11 percent and girdles were down 17 percent. This had little impact on the overall trend.

Destructive import growth continues to take place because of the refusal of the U.S. government to recognize the problems of the domestic industry and indeed to live up to even the most modest of its own proposals. The renewal of the Multifiber Arrangement is a case in point.

After announcing that the U.S. would seek a tightened MFA when it expired in July of this year, government negotiators agreed to a renewed MFA that in a number of ways is actually weaker than its predecessor. Although the U.S. had presumably sought to expand MFA coverage to include all fibers, the final agreement contained significant limitations. In addition, nothing was done to incorporate mechanisms for controlling surges and quota circumvention.

It becomes more evident with every passing day that the only way to bring some control to the import flood lies in legislation. Our government will not act unless forced to by the Congress. The failure of the Congress to override the President's veto of the Textile and Apparel Trade Enforcement Act is disappointing, but it is a temporary setback and not a permanent defeat.

Legislators who failed to support the domestic industry in the mistaken belief that the government's negotiations of bilateral agreements and the renewal of MFA would be sufficient to accomplish the task, will hopefully learn from the facts how wrong they were.

It can be expected that the supporters in Congress of the American industry and its workers will introduce new legislation when the new Congress convenes next year. The worsening of conditions in the industry and in the economy as a whole increases the chances for success of such legislation.

EMPLOYMENT, MANHOURS AND PAYROLLS

Employment in women's and children's apparel has been relentlessly declining for over a decade, with only a minor, short-lived respite. The most recent downward cycle in the number of production workers in our industry began in mid-1984 and culminated in a 7.8 percent drop between 1984 and 1985. The decline was pervasive and affected every branch but the one producing other women's outerwear. This brought the number of workers in the industry to a new low, some 27 percent below the 1973 peak.

Activity so far in 1986 has been sluggish and uneven. Total production worker employment in the first 8 months of 1986 was 0.2 percent below the level in the same period of last year. The total number of hours spent at work was

EMPLOYMENT, MANHOURS, AND PAYROLLS, WOMEN'S AND CHILDREN'S GARMENT INDUSTRY

AVERAGE EMPLOYMENT OF PRODUCTION WORKERS

Period	Coat, Suit Skirt	Dress	Blouse	Knit Outerwear (*)	Child. Outerwear	Other Outerwear	Corset, Brassiere	Underwear Nightwear	Knit Underwear (*)
1973	64,500	183,700	45,900	70,200	68,900	102,000	24,700	72,800	28,700
1980	57,100	127,900	54,100	59,400	55,100	120,400	13,900	62,100	26,700
1981	53,200	121,300	55,000	60,000	54,700	123,400	14,200	62,500	26,300
1982	47,900	110,900	52,200	55,400	52,000	117,700	12,100	58,600	24,200
1983	47,100	105,600	51,300	54,100	51,000	124,200	12,200	58,100	24,700
1984	42,400	96,600	50,000	57,000	53,900	134,400	12,300	58,300	23,300
1985	36,700	80,700	44,600	55,500	51,500	140,600	11,400	53,100	20,700
Jan-Aug'85	36,400	81,600	44,500	54,700	51,300	140,500	11,400	52,800	20,800
Jan-Aug'86	35,400	78,600	43,300	59,400	53,200	139,600	11,300	52,400	19,800

MANHOURS OF PRODUCTION WORKERS (in millions)

Period	Coat, Suit Skirt	Dress	Blouse	Knit Outerwear (*)	Child. Outerwear	Other Outerwear	Corset, Brassiere	Underwear Nightwear	Knit Underwear (*)
1973	109.7	307.6	80.0	134.6	123.1	182.6	44.6	132.3	54.6
1980	97.1	202.6	92.7	114.2	97.9	209.2	24.1	113.4	49.4
1981	90.2	197.6	93.8	112.5	99.0	216.6	25.4	114.1	47.5
1982	78.1	179.9	89.7	101.7	92.1	199.9	20.4	102.8	41.9
1983	80.1	173.1	88.9	100.6	91.4	222.4	21.8	106.4	46.3
1984	72.7	160.1	86.8	106.5	98.7	241.1	22.7	107.6	43.6
1985	62.8	136.3	77.7	104.8	94.3	251.7	20.4	97.7	38.0
Jan-Aug'85	41.9	92.9	52.3	68.6	62.9	170.3	13.9	64.7	25.5
Jan-Aug'86	41.2	89.4	50.9	76.3	66.3	164.2	13.4	65.3	26.1

PAYROLLS OF PRODUCTION WORKERS (in millions of dollars)

Period	Coat, Suit Skirt	Dress	Blouse	Knit Outerwear (*)	Child. Outerwear	Other Outerwear	Corset, Brassiere	Underwear Nightwear	Knit Underwear (*)
1973	$347.1	$906.5	$209.6	$389.0	$314.3	$481.7	$120.1	$321.9	$144.5
1980	489.2	953.7	399.0	535.6	417.9	930.0	105.9	464.1	225.4
1981	490.9	1,002.7	436.9	567.4	450.6	1,032.7	121.3	508.5	234.5
1982	444.0	946.5	427.8	534.1	436.2	991.7	103.9	476.3	216.6
1983	476.7	953.7	436.1	555.4	438.5	1,129.6	115.1	511.4	246.6
1984	449.8	912.1	439.2	615.9	488.8	1,261.0	126.4	535.4	241.8
1985	405.3	790.4	398.9	635.0	477.9	1,343.8	120.2	505.6	216.5
Jan-Aug'85	268.7	537.8	267.4	414.7	317.6	909.0	80.6	335.7	144.8
Jan-Aug'86	264.4	523.3	259.7	479.0	342.0	875.2	82.0	341.1	152.7

* Men's and women's garments

SOURCE: U.S. Bureau of Labor Statistics and ILGWU Research Department estimates

unchanged over 1985. Average weekly hours were ahead 1.2 percent through August, average weekly earnings were up 2.5 percent and total industry payrolls were ahead 1.3 percent.

In three branches of the industry, 1986 employment was off in every single month by comparison with the same month of 1985. The overall decline for the 8 months in these three industries was 2.8 percent in women's blouses, 3.7 percent in women's dresses and 4.8 percent in knit underwear.

In four branches of our industry, performance tended to alternate between small increases and decreases as compared to last year, but led to an overall loss. The cumulative drop was 0.5 percent in corsets and brassieres, 0.7 percent in other women's outerwear (comprising a variety of sportswear items as well as washable service apparel), 0.8 percent in underwear and nightwear and 2.7 percent in women's coats, suits and skirts.

The remaining two branches of our industry showed gains throughout 1986. Children's outerwear employment was 3.8 percent ahead of last year . An even larger gain of 8.8 percent was chalked up in knit outerwear. While any employment gains are welcome, these should be viewed in perspective. Employment in both of these industries still remain below levels immediately prior to the 1982 recession and far below historic peaks.

Preliminary information for September 1986 suggests that the level of activity continued to deteriorate. For the apparel industry as a whole, production worker employment declined 1.6 percent between September 1985 and September 1986. Unemployment in apparel was 9.7 percent of the labor force this September, in line with the high levels that existed throughout 1986.

It is obvious that any growth in domestic apparel consumption is still being drained off to imports with little, if any, of this growth redounding to the benefit of domestic producers and their workers.

HOURLY EARNINGS

Because data on hourly earnings are not collected separately for the unionized sector of the industry, it is necessary to rely on the overall data collected by the Bureau of Labor Statistics.

The latest data, for August 1986, clearly show the impact of the disastrous domestic situation facing women's and children's apparel as well as American industry at large. Average hourly earnings in all manufacturing are up less than 2 percent over a year ago and gains in durable goods, automobiles and construction are even smaller.

Data for our industry reflect the impact of the first round of wage increases under the 1985 outerwear agreements. Among the branches of the women's and children's apparel industry, the largest gain -- 26 cents -- took place in knitted outerwear, the branch with the strongest activity this year. The gain in the corset and brassiere industry was 21 cents an hour while in knitted underwear earnings were up 20 cents.

Dress earnings were up 15 cents an hour, while those in children's outerwear were ahead by 14 cents. Lesser gains took place in other sectors -- 7 cents an

AVERAGE HOURLY EARNINGS, WOMEN'S GARMENT AND OTHER SELECTED INDUSTRIES

Industry	Aug. 1980	Aug. 1981	Aug. 1982	Aug. 1983	Aug. 1984	Aug. 1985	Aug. 1986
WOMEN'S GARMENTS							
Coats, Suits, skirts	$5.21	$5.56	$5.73	$6.00	$6.18	$6.54	$6.40
Dresses	4.76	5.15	5.22	5.57	5.78	5.75	5.90
Blouses	4.30	4.66	4.78	4.91	5.09	5.06	5.11
Knitted outerwear*	4.76	5.09	5.24	5.55	5.82	6.07	6.33
Children's outerwear	4.19	4.57	4.71	4.78	4.92	5.05	5.19
Other outerwear	4.44	4.75	4.95	5.05	5.19	5.31	5.38
Corsets, brassieres	4.43	4.80	5.10	5.37	5.58	5.91	6.12
Underwear, nightwear	4.11	4.47	4.60	4.79	4.94	5.17	5.21
Knitted underwear*	4.59	4.98	5.19	5.34	5.55	5.65	5.85
MEN'S CLOTHING							
Suits, coats	5.24	5.68	5.89	6.18	6.58	6.57	6.65
Shirts, nightwear	4.08	4.44	4.61	4.72	4.85	4.97	5.11
Separate trousers	4.29	4.57	4.86	5.03	5.16	5.25	5.26
Work clothing	4.12	4.43	4.75	4.90	5.07	5.29	5.48
ALL MANUFACTURING	7.31	8.03	8.50	8.76	9.16	9.49	9.67
NON-DURABLE GOODS	6.64	7.23	7.75	8.06	8.38	8.70	8.93
DURABLE GOODS	7.78	8.59	9.07	9.33	9.70	10.06	10.22
Automobiles	9.82	10.90	11.67	11.93	12.63	13.31	13.34
Primary metal industries	9.85	10.99	11.49	11.30	11.38	11.63	11.86
Printing, publishing	7.62	8.25	8.80	9.13	9.45	9.76	10.00
Rubber and plastic products	6.59	7.23	7.65	8.02	8.29	8.52	8.81
Cotton fabrics	5.42	5.95	5.96	6.44	6.71	7.05	7.38
Silk and synthetic fabrics	5.46	6.00	6.18	6.63	6.95	7.14	7.48
Wool fabrics	5.30	5.81	6.16	6.59	6.83	7.11	7.46
COAL MINING	10.91	12.09	12.88	13.89	14.91	15.11	15.47
BUILDING CONTRACTORS	9.35	9.90	10.60	10.66	10.91	11.22	11.34

* Men's and women's garments
SOURCE: U.S. Bureau of Labor Statistics

hour in other outerwear, 5 cents in blouses and 4 cents an hour in underwear and nightwear. Average hourly earnings in the coat, suit and skirt industry fell 14 cents as compared to August 1985.

COMMENTARY

The United States merchandise trade deficit continues to grow at a perilously high rate despite the Administration's cure. Since 1981, the deficit has increased almost fivefold (in current dollars) and is now pushing the $200 billion mark, with little expectation of a major turnaround in the near future.

Merchandise trade deficits reflect both the absorption by imports of a larger share of domestic production and loss of potential export markets. These deficits have had a devastating effect on many of the nation's industries and have led to losses in employment as well as to severe reductions in the standard of living of growing numbers of the country's workforce.

In the following pages the failure of policy over the last fifteen years will be outlined. Future analyses will spell out the reasons in greater detail.

The Administration's simplistic solution to the trade problem -- devalue the dollar against the currencies of major trading partners -- is not new. Every administration has used it since President Nixon cut the dollar loose from gold in August 1971, in effect devaluing the dollar. It has not worked for any administration. Despite manipulation of the dollar, with two minor exceptions trade deficits have worsened in every year since 1971.

Trade deficits rose in the last 15 years as U.S. retailers and manufacturers have increasingly gone abroad in search of lower labor costs. As this process developed initially in the late 1960s and 1970s, more and more products of labor-intensive industries were sourced abroad. At the end of the 1970s, capital-intensive industries began to be affected because of lower priced and subsidized imports and the lack of investment in domestic industry and, therefore, a decreasing ability to compete with imports.

Another factor of considerable importance has been the consolidation of imports in the domestic market in a number of industries. Once in the market, foreign suppliers, particularly the Japanese, have sought to protect and increase market share. In periods of exchange stress, rather than increase prices, many foreign exporters have chosen to cut profits by not increasing prices commensurately with dollar declines, absorbing some of the price differential.

When Nixon's policies were initially implemented, it might have been argued -- and some did so argue -- that these policies were preordained to fail. With the passage of time and ongoing changes in international economic relations, the folly of devaluation as a panacea has become more apparent. It is helpful, however, to review the evolution of policy and the reasoning behind it.

Relative stability of international currencies, especially the dollar, ended with Nixon's 1971 action. Although the step in effect created the current system of floating exchange rates, the float officially began in the spring of 1973. The cure did not work and trade deficits continued to grow.

Government policy in the first years of the Carter Administration was, in the words of Treasury Secretary Blumenthal, to "talk down the dollar" in the hope that this would reverse the growing trade imbalance. Although the dollar continued to drop through 1979, the trade deficit in the first three Carter years was basically stable at around $40 billion, but had risen sharply from the 1971 figure of $4.8 billion. The trade deficit dropped to $36 billion in 1980, far from a return to a positive balance.

By October 1979, the dollar had fallen so precipitously that Federal Reserve Chairman Volcker, under pressure from other central bankers, intervened in the market to strengthen its value. The Reagan Administration continued the policy of a stronger dollar and the dollar rose sharply through the first quarter of 1985. The trade deficit rose along with the dollar. By the end of 1985, it was a record $148.5 billion.

Traditional economic theory has it that trade deficits will lead to an outflow of currency, decreasing the relative value of the dollar. U.S. exports will then become cheaper and import prices will rise. Trade flows will then reverse and the trade deficit will disappear. In short, the problem of imbalances will always be resolved by the operation of the free market.

The theoretical direct relationship between the relative value of the dollar and trade balances has clearly become tenuous in the real world. Yet, starting in late February 1985, policy again became one of decreasing the value of the dollar in the hope that this would reverse the continued growth in trade imbalances. In September 1985 Treasury Secretary Baker began a concerted effort to force further declines in the dollar at a meeting in New York with finance ministers of four major industrial countries.

To explain why trade deficits continued to mount despite a fall in the dollar, government and some academic economists pointed to the lag between policy action and its effectuation. The "J curve" became the explanation of why a reversal in the trade deficit had not yet taken place. In essence, visualize the letter "J" at about a 45 degree angle. Initially, the effects of policy may be negative, but in time a slow rise would occur, followed by a more rapid rise. A large trade deficit would be replaced by a positive balance.

Based on data for the first seven months of 1986 and after eighteen months of decline in the value of the dollar, the merchandise trade deficit has increased from the 1985 figure of $148.5 billion and is running at an annual rate of over $175 billion. For the first time since World War II, all three basic components of merchandise trade -- manufactured goods, crude materials and fuels, and even food, beverages and tobacco - are all negative.

But government and other economic analysts continue to promulgate the view that a decline in the dollar's value will reverse the trade imbalance. At least one leading American economist recently recommended a further 20 percent rise in the value of Japan's Yen as the solution to trade imbalances with that country. And the principal industrial nations are still being pressured to further fuel their economies in order to reverse our negative trade balance.

Despite the professed views of adherents of use of the market mechanism to resolve economic problems, when the dollar has moved down or up there has been active intervention in the market by central banks, including our own. This in itself is a curious commentary on reliance on the market. But even intervention and manipulation have proven to be of little value.

It can be argued that traditional theory has become obsolete because of substantive changes in both the monetary and trade areas. A key element in the former has been the internationalization of capital and, along with it, a vast increase in speculation. With respect to the latter, a largescale expansion in trade and in its distribution among countries has taken place.

Currency exchange rates have the function of facilitating trade among nations. Today, an estimated $200 billion in various currencies is exchanged daily on world money markets or a total of about $50 trillion annually. Total world trade, however, is only about $2.5 trillion per year. Long-term foreign investments increase this total by something over $150 billion per year. Thus, trade-related foreign exchange transactions represent only about 5 percent of all exchange rate dealings.

The remaining 95 percent of exchange activity is basically speculation on a grand international scale. Numbers such as those cited above can provide enormous returns to corporate and bank speculators even at low profit margins. The volatility of exchange markets reflects enormous activity. But it makes no contribution to solving the trade problem. Capital movements, rather than trade flows, now dominate foreign exchange rates.

Pointing to use of money as "a commodity, like gold or potatoes", the New York Times has observed that, "rumor, hunch, and news play a major role in their [bankers and speculators] decisions about what to sell or buy." (May 4, 1986).

As long as foreign capital is attracted to the U.S. either because of interest rates, financial security or as a safe haven in a frightening world, trade deficits can continue. However, if, for any reason, foreign capital in the U.S. and large quantities of domestic capital decide to go elsewhere, the result may be a sharp collapse in the dollar and a worldwide financial panic.

Dollar devaluation in another era may have been a way to decrease trade deficits. Expansion of world trade in the last two or three decades and rapid diversification of trade among newcomers as a result of internationalization of the factors of production have created a new and very different picture.

We in the ILGWU have argued that there is an obvious explanation of why apparel imports have continued to grow so rapidly despite recent devaluations of the dollar. We have pointed to the simple fact that currencies of most of the major apparel exporters to the U.S. market and new starters are tied to the dollar and basically fluctuate as the dollar fluctuates. In some cases, their currencies have even declined against the dollar. As a result, apparel import prices, for example, are largely unaffected by changes in dollar values.

In assessing the effect on trade of a decline in the dollar, government, banking and academic economists have used limited measures of this effect. They have tracked the value of the dollar against a relatively small number of major currencies, ranging from ten to 22, depending on who was doing the measuring. Some indexes, among them the one used by the Federal Reserve System, have related dollar values to average trade flows between 1972 and 1976, rather than on more contemporary trade.

Last month a senior economist at the Dallas Federal Reserve Bank published a study on how the dollar has moved against the currencies of all countries that trade with the United States -- a total of 131. He also weighted his index on more realistic current average trade flows.

Among his major conclusions was that from March 1985 through May 1986, when, for example, FRB's trade-weighted exchange rate index showed a 33.6 percent decline in the dollar, the dollar actually fell by only 6.3 percent. The Dallas economist noted that exclusion of major Asian and Latin American countries and Saudi Arabia from published indexes distorted these indexes. Asian countries excluded are major apparel exporters, including Taiwan, South Korea, China, Singapore, Indonesia, Malaysia and Thailand.

The study concluded that countries not included in major published indexes account for 37 percent of total U.S. trade and that, against the currencies of these countries, the dollar has continued to rise.

How should the trade deficit problem be treated? A reasoned approach to the problem must include at least the following:

* rein in speculation by a system of foreign exchange controls. Controls have been used with positive result by a number of countries before, during and following World War II.

* replace the current Administration's policy of deindustrializing the U.S. economy in favor of a service economy -- whatever that really means. Many manufactured products have been largely or completely taken over by imports. Imports of other manufactured products continue to rise because large parts of U.S. industrial capacity have been idled or no longer exist.

  A turnaround in domestic manufacturing would also require government assurances that it will now and in the future encourage output in this country. Otherwise, the uncertainties created by current policy will not permit revival of manufacturing.

* a rational trade policy that permits workers and industry to maintain a reasonable share of our domestic market, a position the ILGWU has pushed for many years with the Congress and the Administration.

The Reagan Administration has been antagonistic towards the maintenance of the country's industrial structure. Given further political opportunity to pursue its policies, it will permit additional growth in trade imbalances and the ultimate effective destruction of our manufacturing base.

These circumstances dictate an intensified use of the legislative process to reverse present trade policy and its ongoing threat to U.S. workers and industry and to our society as a whole. A change in political control of both the Congress and the Presidency could result in more rational trade and general economic policies, provided there is acceptance next year by a new Congress and in 1989 by a new President of the need for such policy changes.

APPENDIX

UNIT PRODUCTION AND NET VALUE OF SHIPMENTS, WOMEN'S AND CHILDREN'S GARMENTS

UNIT PRODUCTION (millions of garments)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
WOMEN'S AND MISSES'											
Coats	23.0	21.9	21.4	20.7	20.8	19.7	16.4	13.5	13.1	13.3	11.5
Suits ex. pantsuits	9.4	12.0	14.4	12.2	12.0	11.3	9.4	9.5	9.5	8.2	7.9
Pantsuits	27.3	25.9	26.4	24.1	17.8	10.9	6.8	5.0	4.7	3.8	3.7
Jackets	22.8	26.0	27.0	23.3	26.4	33.4	42.5	45.4	45.4	42.6	36.2	30.2
Dresses	233.9	227.5	248.1	252.3	252.5	250.3	209.6	189.0	179.9	174.9	167.3
Blouses	271.9	288.0	323.9	356.0	406.8	402.3	390.5	396.2	407.7	356.5	335.1
Knit sport shirts	108.8	119.6	154.3	157.9	162.5	161.2	138.6	161.6	133.9	128.2	111.8
Sweaters	94.1	92.2	95.3	90.0	78.2	77.8	89.7	86.0	87.1	94.0	107.6
Skirts	56.6	58.1	59.9	70.8	75.3	86.1	114.3	118.8	114.8	110.3	105.9
Slacks	196.9	205.6	196.9	197.9	213.2	218.6	207.8	208.3	213.4	201.1	194.0
Dungarees & jeans	75.0	82.9	80.4	65.7	90.1	100.8	120.5	107.3	116.3	107.5	104.7
Playgarments	30.6	29.4	29.7	32.1	33.0	30.2	29.6	52.5	50.7	49.1	39.5
Bathing suits	24.2	27.2	30.2	32.9	35.8	32.8	39.6	41.9	38.0	42.8	35.4
Raincoats	8.5	8.7	6.9	6.3	6.7	6.9	6.0	5.3	4.5	5.2	4.1
Washable service app.	29.4	29.2	38.9	39.9	41.4	37.2	36.9	45.2	37.4	40.5	38.5
Corsets	53.3	51.8	53.1	49.2	47.5	48.1	47.4	43.9	42.3	37.8	34.5
Brassieres	187.5	207.1	209.6	206.5	216.1	216.4	216.0	203.5	218.8	201.1	199.0
Slips & petticoats	70.7	80.6	80.9	83.7	86.0	75.9	69.8	65.8	68.0	67.8	60.8
Panties	507.3	524.2	484.0	482.5	494.9	561.8	591.7	433.0	445.1	448.3	408.6
Nightgowns & pajamas	161.3	163.1	174.2	180.9	164.7	162.7	167.9	156.8	145.6	143.8	135.2
GIRLS', CHILDREN'S AND INFANTS'											
Coats	7.5	7.2	5.8	5.1	5.4	4.1	4.2	3.2	3.0	3.5	3.0
Jackets	8.1	7.9	7.7	6.8	6.6	7.4	8.5	7.8	8.6	8.4	8.1
Dresses	83.4	79.3	80.1	80.3	83.0	87.4	81.2	77.3	83.7	87.6	83.0
Blouses	41.9	49.6	52.4	60.0	56.9	57.5	55.3	59.5	57.8	55.3	56.5
Knit sport shirts	137.8	154.9	152.0	153.5	148.4	148.3	151.9	154.5	150.0	143.5	146.6
Sweaters	19.5	16.1	21.7	18.2	15.9	16.3	15.6	14.0	15.0	19.2	17.9
Skirts	6.6	7.3	5.9	8.5	9.0	10.4	7.6	13.8	11.8	9.4	10.2
Dungarees & jeans	30.2	36.1	40.9	40.5	40.7	50.4	58.1	43.5	48.2	48.9	38.6
Slacks & shorts	89.4	84.4	76.0	76.2	84.9	88.6	92.4	94.0	92.7	105.7	108.4
Playgarments	113.7	117.0	118.4	147.2	142.8	142.2	130.9	134.2	124.7	114.9	103.5
Bathing suits	9.6	10.4	10.7	11.3	10.9	10.3	10.8	10.4	9.5	11.5	10.0
Raincoats	0.6	0.5	0.4	0.5	0.4	0.5	0.4	0.4	0.2	0.1	0.2
Slips & petticoats	8.2	6.6	5.5	5.8	6.6	6.6	6.3	4.8	5.2	4.5	4.8
Panties	181.7	196.0	170.3	172.9	176.5	176.1	167.0	153.0	147.6	150.7	140.2
Nightgowns & pajamas	97.5	89.5	97.1	102.2	95.7	99.6	90.6	85.5	95.3	90.3	86.8

VALUE OF SHIPMENTS, WOMEN'S AND CHILDREN'S APPAREL (millions of dollars)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
TOTAL	$13,268	$14,279	$15,659	$17,490	$19,062	$20,606	$22,100	$22,698	$23,566	$22,820	$21,715
WOMEN'S OUTERWEAR											
Coats	670	699	687	774	894	852	776	685	699	784	644
Suits, ex. pantsuits	242	272	378	381	376	377	361	388	403	369	350
Pantsuits	330	332	376	360	247	163	111	103	101	88	83
Jackets	239	290	328	369	504	727	1,017	1,129	1,146	995	874
Dresses	2,856	2,949	3,141	3,743	3,770	3,706	3,514	3,391	3,405	3,415	3,320
Blouses and waists	1,286	1,371	1,574	1,916	2,251	2,468	2,713	2,855	3,071	2,608	2,522
Knit sport shirts	431	475	608	636	676	710	684	877	858	768	664
Sweaters	441	469	507	527	466	480	560	579	612	708	732
Skirts	405	449	503	689	815	1,021	1,329	1,433	1,520	1,350	1,286
Slacks	1,087	1,190	1,232	1,439	1,545	1,705	1,816	1,878	1,793	1,761	1,822
Dungarees and jeans	397	461	515	427	684	878	1,227	1,056	1,342	1,336	1,106
Playgarments	125	136	166	152	139	163	141	227	221	233	166
Bathing suits	159	173	193	231	284	307	399	458	440	498	429
Raincoats	152	165	167	176	208	223	226	203	194	202	165
Washable service app.	153	166	222	246	247	238	246	277	271	295	287
Other outerwear	680	760	849	927	1,036	1,071	1,113	1,177	1,243	1,236	1,168
CHILDREN'S OUTERWEAR											
Coats	84	80	64	55	63	59	63	39	42	48	40
Jackets	42	42	47	41	38	46	68	63	69	57	54
Dresses	348	343	358	377	438	504	509	557	595	630	615
Blouses and waists	99	115	138	170	179	196	225	241	235	242	243
Knit sport shirts	215	259	274	305	335	398	462	478	467	480	482
Sweaters	44	41	53	50	61	64	65	68	72	88	94
Skirts	26	32	30	44	49	60	49	66	57	45	48
Slacks & playgarments	475	507	528	566	606	745	754	811	847	848	819
Dungarees and jeans	99	115	141	142	157	209	234	234	246	224	200
Bathing suits	28	31	37	43	43	41	45	50	45	58	47
Raincoats	6	5	4	5	6	8	7	7	5	2	2
Other outerwear	154	161	153	162	169	181	197	212	215	207	203
INTIMATE APPAREL											
Corsets & brassieres	636	705	747	752	789	852	901	923	997	921	976
Undergarments	597	671	704	782	895	971	1,016	989	1,056	1,066	1,020
Nightwear	762	816	935	1,003	1,089	1,182	1,273	1,240	1,300	1,258	1,254

(A) Includes sweatshirts
(B) Includes playsuits, shorts, pedal pushers and other playgarments

SOURCE: U.S. Bureau of the Census data benchmarked to the Census of Manufactures